

## IN THE CLAIMS

Please revise the claims as follows:

1-42. (Cancelled)

43. (Withdrawn) A method of construction of a composite construction block wall having an insulating layer; wherein the method comprises the steps of

- a) taking a mould capable of forming at least one building block;
- b) preparing a cementitious matrix for formation of said blocks;
- c) placing at least one insulating element into said mould at a predetermined location within the mould;
- d) pouring said matrix into said mould such that the matrix engages mould surfaces and at least one surface of said element;
- e) allowing said matrix to set for a predetermined period of time;
- f) removing said at least one block and said at least one element from said mould as a composite construction element.

44. (Withdrawn) A method according to claim 43 comprising the further step of constructing a wall from said composite construction blocks elements thereby producing a structure having increased insulating properties by virtue of said at least one insulating element.

45. (Withdrawn) A method of preparation of a structure formed from composite building blocks comprising a block and an associated insulating element connected to the block; the method comprising the steps of :

- a) placing a mould of predetermined dimensions on a base surface;
- b) placing at least one insulating element in said mould;
- c) mixing a matrix of cementitious material and pouring said material into said mould so that the material forms at least one block;
- d) allowing said at least one insulating element to engage said matrix so that said element forms a composite with said matrix;
- e) allowing said matrix to set for a predetermined period ;
- f) removing said composite element and matrix from said mould.

46. (Withdrawn) A method according to claim 45 comprising the additional step before placing said insulating element in said mould of providing means on the element to allow the element to key into said matrix upon setting of said matrix

47. (Withdrawn) A method according to claim 46 comprising the further step of forming at least one gender profile in the insulating element to enable engagement with a corresponding opposite gender profile formed in the block when the matrix is poured against the insulating element the block.

48. (Withdrawn) A method according to claim 47 wherein, the insulating element is made from a material selected from a plastics material, a resin or polystyrene.

49. (Cancelled)

50. (Withdrawn) A method of preparation of a structure formed from building blocks prepared in a mould; the method comprising the steps of:

- a) forming a cement of clay fired moulded block such that the finished block includes surface formations therein on at least one surface;
- b) taking at least two said blocks and placing said blocks so that said formations on said at least one surface of two said blocks are in spaced apart but opposing relationship to form a space formed therebetween;
- c) filling said cavity between said at least two blocks with a flowable material capable of filling said cavity;
- d) allowing said flowable material to set thereby creating a composite building element comprising said two blocks and said flowable material.

51. (Withdrawn) A method according to claim 50 wherein the flowable material is a foaming polyurethane or styrene or like product.

52. (Withdrawn) A method according to claim 51 wherein, the flowable material is preferably low density and fully penetrates the cavity formed between said blocks to form an insulating layer imparting to the building block insulating properties and a barrier to moisture.

53. (Withdrawn) A method according to claim 52 wherein two opposing bricks are placed with key profiles opposing each other and set to a predetermined width.

54-57. (Cancelled)

58. (New) A composite construction block for use in the construction of elemental structures, said block comprising:

a cementitious body having a bottom surface, a top surface, end surfaces, and an outer surface which forms part of an outer surface of a structure constructed from said blocks, and an opposing inner surface; and

at least one inner elongated recess formed in said cementitious body which receives and retains at least one insulating element which provide thermal insulation for a structure formed from said construction block and wherein said block is manufactured in a mold from a cementitious matrix which is poured about said at least one insulating element to form said composite block.

59. (New) A construction block according to claim 58, wherein said at least one insert element comprises a prismic body made from a material having insulating properties and wherein the element forms said at least one recess.

60. (New) A construction block according to claim 59, wherein each of said insert elements provides a water barrier to each face of said composite building block.

61. (New) A construction block according to claim 60, wherein said block includes at least one formation which provides a key which locks at least one of said inserts to said block.

62. (New) A construction block according to claim 61, wherein said formation which allows engagement between said construction block and at least one of said inserts, are opposite gender.

63. (New) A construction block according to claim 62, wherein at least one of said formations extends beyond an end wall of said block forming a male profile part.

64. (New) A construction block according to claim 63, wherein one of said formations extends beyond the end wall and engages an adjacent block via a corresponding female recess in the adjacent block.

65. (New) A construction block according to claim 64, wherein said block has an insert which is located generally along a central longitudinal axis of said block.

66. (New) A construction block according to claim 65, wherein said insert is made from a material selected from a group consisting of:

a plastics material, a resin and a polystyrene.

67. (New) A construction block according to claim 66, wherein said outer surface of said insert includes dovetail formations which create a locking engagement between said insert and said block.

68. (New) A construction block according to claim 67, wherein, a height dimension of said insert extends beyond a height dimension of said block.

69. (New) A composite construction block for use in the construction of an elemental structure; wherein said composite block comprises:

a construction block, and

an insulating element made from a material having insulating properties;

wherein, said insulating element is integrally attached to said block during molding of said block to thereby provide a thermal and water barrier to at least one face of the construction block.

70. (New) A composite construction block according to claim 69, wherein said insulating element and said block mutually engage by opposite gender formations to form said composite block.

71. (New) A composite construction block according to claim 70, wherein said block is shaped from a group consisting of:

a rectangular cube, a square cube, a triangular cube, and a polygonal shape.